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RUEHLM/AMEMBASSY COLOMBO 0537
RUEHKO/AMEMBASSY TOKYO 5404
RUEHHK/AMCONSUL HONG KONG 6031
RUEHGH/AMCONSUL SHANGHAI 0010
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DEPT FOR DOE/NNSA KASTOR

E.O. 12958: N/A

TAGS: ENRG EWWT TRGY KSCA KNNP PARM PTER SN

SUBJECT: FIRST MEGAPORTS PILOT PROJECT REVIEW CONCLUDED

REF: SINGAPORE 1153

- 11. (SBU) Summary: The Department of Energy (DOE) and Singapore Immigration and Checkpoints Authority (ICA) recently concluded a first review of the Megaports pilot project (reftel), with a tentative agreement to expand the program in Singapore to include more transshipped cargo. ICA officials told the DOE team that they would deliver a proposal outlining suggested next steps for the project in early July, when the DOE team plans to return for a second review. End summary.
- 12. (SBU) In discussing how to expand the scope of the project, in particular whether to cover more transshipped cargo, the DOE team rejected ICA's initial suggestion to leave it unchanged; DOE argued that the amount of cargo captured would otherwise be statistically and operationally too limited to make the Megaports program effective in the longer term. As now structured, Megaports scans only exports of Singapore origin and what is estimated to be no more than one percent of transshipped cargo. (Note: Singapore is the world's busiest transshipment port and has been hesitant to agree to any expansion of the project that could interfere, in its view, with port efficiency. End note.) Both sides agreed "in principle" to increase the amount of transshipments scanned, although an exact percentage was not discussed. Pending DOE concurrence with ICA's proposal, expansion of the project will tentatively commence in April 2007, taking into account time for ICA to make necessary changes to its port logistics computer system.
- 13. (SBU) Based on its initial assessment, the DOE team concluded that ICA is taking the Megaports project seriously and appears to have adjusted certain of its expectations since the pilot's inception. For example, ICA originally insisted on keeping scanning related delays below 15 seconds per container. Current delays are longer on average, but ICA officials have expressed few concerns with this outcome and are pleased with the progress they have made to reduce the delays. According to the DOE team, ICA officials are also beginning to recognize the benefits that would be derived from comprehensive scanning of all containers for radiological materials. They remain concerned, however, about the manpower required for implementation on this scale. CHARBONNET